

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 4628

IN THE MATTER OF:

Served July 7, 1995

Application of ESCORT TRANSPORT )  
INC., for a Certificate of )  
Authority -- Irregular Route )  
Operations )

Case No. AP-95-22

By application filed April 5, 1995, Escort Transport Inc., a Maryland corporation, seeks a certificate of authority to transport passengers, together with baggage in the same vehicles as passengers, in irregular route operations between points in the Metropolitan District.

Notice of this application was served on April 11, 1995, in Order No. 4568, and applicant was directed to publish further notice in a newspaper and file an affidavit of publication. Applicant complied. The application is unopposed.

SUMMARY OF EVIDENCE

The application includes information regarding, among other things, applicant's corporate status, facilities, proposed tariff, finances, and regulatory compliance record.

Applicant proposes commencing operations with one minibus. Applicant's proposed tariff contains an hourly charter rate with a minimum charge.

Applicant filed a balance sheet as of March 31, 1995, showing assets of \$24,634; liabilities of \$31,285; and negative equity of \$6,651. Applicant's projected operating statement for the first twelve months of WMATC operations shows WMATC operating income of \$60,192; other operating income of \$10,000; expenses of \$59,462; and net income of \$10,730.

Applicant certifies it has access to, is familiar with, and will comply with the Compact, the Commission's rules and regulations, and United States Department of Transportation regulations relating to transportation of passengers for hire. Applicant further certifies that neither applicant nor any person controlling, controlled by, or under common control with applicant has any control relationship with a carrier other than applicant.

DISCUSSION AND CONCLUSION

This case is governed by the Compact, Title II, Article XI, Section 7(a), which provides in relevant part that:

. . . the Commission shall issue a certificate to any qualified applicant . . . if it finds that --

- (i) the applicant is fit, willing, and able to perform [the] transportation properly, conform to the provisions of this Act, and conform to the rules, regulations, and requirements of the Commission; and
- (ii) that the transportation is consistent with the public interest.

Applicant's negative equity position is the result of applicant choosing to classify its sole shareholder's capital contributions as debt instead of equity. We have found numerous highly-leveraged applicants fit where the principal creditors are controlling shareholders.<sup>1</sup>

Based on the evidence in this record, the Commission finds applicant to be fit, willing, and able to perform the proposed transportation properly and to conform with applicable regulatory requirements. The Commission further finds that the proposed transportation is consistent with the public interest.

THEREFORE, IT IS ORDERED:

1. That Escort Transport Inc., 2513 Olson Street, Temple Hills, MD 20748, is hereby conditionally granted, contingent upon timely compliance with the requirements of this order, authority to transport passengers, together with baggage in the same vehicles as passengers, in irregular route operations between points in the Metropolitan District.

2. That applicant is hereby directed to file the following documents with the Commission: (a) evidence of insurance pursuant to Commission Regulation No. 58 and Order No. 4203; (b) an original and four copies of a tariff or tariffs in accordance with Commission Regulation No. 55; (c) an equipment list stating the year, make, model, serial number, vehicle number, license plate number (with jurisdiction) and seating capacity of each vehicle to be used in revenue operations; (d) evidence of ownership or a lease as required by Commission Regulation No. 62 for each vehicle to be used in revenue operations; (e) proof of current safety inspection of said vehicle(s) by or on behalf of the United States Department of Transportation, the State of Maryland, the District of Columbia, or the Commonwealth of Virginia; and (f) a notarized affidavit of identification of vehicles pursuant to Commission Regulation No. 61, for which purpose WMATC No. 313 is hereby assigned.

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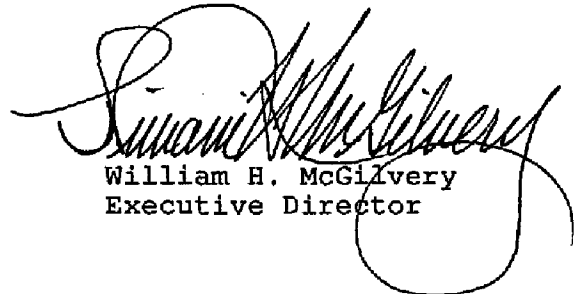
<sup>1</sup> See In re A.C. Limo. Serv., Inc., No. AP-95-23, Order No. 4606 (May 31, 1995); In re The Airport Shuttle, No. AP-94-22, Order No. 4331 (July 6, 1994); In re M.R. Hopkins Transp. Servs., Inc., t/a M.R. Hopkins Transp., No. AP-94-03, Order No. 4265 (Mar. 28, 1994); In re Seth, Inc., t/a Kids Kab, No. AP-93-40, Order No. 4243 at 1 n.1 (Feb. 9, 1994); In re S&W Bus Serv., Inc., No. AP-93-15, Order No. 4103 (May 18, 1993); In re Sky Lines, Inc., No. AP-91-46, Order No. 3886 (Feb. 12, 1992).

3. That upon timely compliance with the requirements of the preceding paragraph and acceptance of the documents required by the Commission, Certificate of Authority No. 313 shall be issued to applicant.

4. That applicant may not transport passengers for hire between points in the Metropolitan District pursuant to this order unless and until a certificate of authority has been issued in accordance with the preceding paragraph.

5. That unless applicant complies with the requirements of this order within 30 days from the date of its issuance, or such additional time as the Commission may direct or allow, the grant of authority herein shall be void and the application shall stand denied in its entirety effective upon the expiration of said compliance time.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS ALEXANDER, LIGON, AND SHANNON:



William H. McGilvery  
Executive Director

